

ASSEMBLY BILL

No. 2118

Introduced by Assembly Member Hernandez

February 18, 2010

An act to amend Section 11713.20 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 2118, as introduced, Hernandez. Vehicles: dealers: consumer credit score disclosure.

Existing law requires a dealer that obtains a consumer credit score from a consumer credit reporting agency for use in connection with an application for credit initiated by a consumer for the purchase or lease of a motor vehicle for personal, family, or household use, prior to the sale or lease of the vehicle, to provide to the consumer a notice containing information concerning credit scores in at least 10-point boldface type on a document separate from the sale or lease contract.

This bill would authorize the dealer, alternatively, to provide to the consumer a credit score disclosure notice that meets other form and content requirements.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 11713.20 of the Vehicle Code is amended
2 to read:
3 11713.20. (a) A dealer that obtains a consumer credit score,
4 as defined in subdivision (b) of Section 1785.15.1 of the Civil

1 Code, from a consumer credit reporting agency, as defined in
2 subdivision (d) of Section 1785.3 of the Civil Code, for use in
3 connection with an application for credit initiated by a consumer
4 for the purchase or lease of a motor vehicle for personal, family,
5 or household use, shall provide *to the consumer*, prior to the sale
6 or lease of the vehicle, ~~either of the following information to the~~
7 ~~consumer~~ following:

8 (1) *A credit score disclosure notice that meets the content*
9 *requirements in Section 640.5(e)(1)(ii), and the form requirements*
10 *in Section 640.5 (e)(2), of Title 16 of the Code of Federal*
11 *Regulations, as that section may be amended.*

12 (2) *A notice containing the following information* at least
13 10-point boldface type on a document separate from the sale or
14 lease contract:

15 (a)

16 (A) The credit score obtained and used by the dealer and the
17 name of the credit reporting agency providing the credit score to
18 the dealer.

19 (b)

20 (B) The range of possible credit scores established by the credit
21 reporting agency that provided the credit score.

22 (c)

23 (C) The following notice, which shall include the name, address,
24 and telephone number of each credit reporting agency providing
25 a credit score that was obtained and used by the dealer:

26

27 “NOTICE TO VEHICLE CREDIT APPLICANT

28

29 If the dealer obtains and uses a credit score from a credit
30 reporting agency in connection with your application to finance
31 the acquisition of a vehicle, the dealer must disclose the score to
32 you.

33 The credit score is a computer generated summary calculated
34 by a credit reporting agency at the time the dealer requests the
35 score and is based on information the credit reporting agency has
36 on file. The scores are based on data about your credit history and
37 payment patterns. Credit scores are important because they are
38 used in determining whether to extend credit. The score may also
39 be used to determine the annual percentage rate you may be
40 offered. Credit scores can change over time, depending on your

1 conduct, how your credit history and payment patterns change,
2 and how credit scoring technologies change. Credit scores may
3 also vary from one credit reporting agency to another.

4 If you have questions about your credit score, contact the credit
5 reporting agency at the address and telephone number provided.
6 The credit reporting agency does not participate in the decision to
7 take any action on your application for credit and is unable to
8 provide you with specific reasons for any decision on the credit
9 application.

10 If you have questions concerning credit terms relative to your
11 purchase or lease of a vehicle, ask the dealer.”

12 ~~(d)~~

13 (b) This section does not require a dealer to provide more than
14 one disclosure for each purchase or lease transaction.

15 ~~(e)~~

16 (c) This section does not apply to the purchase or lease of a
17 motorcycle or an off-highway motor vehicle subject to
18 identification under Section 38010.